



TOWN OF DISCOVERY BAY

A COMMUNITY SERVICES DISTRICT



SDLF Platinum-Level of Governance

President – Bill Pease • Vice-President – Bryon Gutow • Director – Kevin Graves • Director – Robert Leete • Director – Bill Mayer

**MINUTES OF THE REGULAR MEETING
OF THE STANDING FINANCE COMMITTEE
OF THE TOWN OF DISCOVERY BAY
Wednesday, February 5, 2020
3:30 P.M. - 4:30 P.M.
Community Center
1601 Discovery Bay Boulevard, Discovery Bay, California
Website address: www.todb.ca.gov**

Finance Committee Members

*Chair Robert Leete
Vice-Chair Bill Mayer*

A. ROLL CALL

1. Call business meeting to order 3:30 p.m. – By Chair Leete.
2. Roll Call – All Present.

B. PUBLIC COMMENTS (Individual Public Comments will be limited to a 3-minute time limit)

None

C. DRAFT MINUTES TO BE APPROVED

1. December 4 2019 DRAFT Regular Finance Committee meeting minutes – Approved.

D. PRESENTATIONS

1. Finance Update.

Finance Manager Carter – Provided the details for the November 2019 Unaudited Financial Statements, with YTD percent comparison for FY 19. Finance Manager Carter highlighted Zone 8 income from PG&E Dewatering and the income from the Hofman Promissory Note payment received. There was discussion regarding the Dewatering (PG&E disposal of water into the Wastewater system).

E. DISCUSSION ITEMS

1. Discussion Regarding an Update on the Rate Study.

Alison Lechowicz from Lechowicz and Tseng Municipal Consultants – Provided the update regarding the DRAFT Rate Study.

- Water Rate Study Table - Capital Improvement Plan (3 options)
 - Annual Rate Revenue Increases:
 - Option 1 – Maximum debt financing (\$12.8M)
 - Option 2 – Lowest debt financing (\$5M).
 - Option 3 – Middle Option; debt financing of \$8M.
 - Cumulative Rate Revenue Increases
 - Option 1 – Lowest rate; max debt financing (\$13M)
 - Option 2 – Lowest debt financing (\$5M)
 - Option 3 – Middle Option; debt financing of \$8M

All of the options listed above; present a combination of revenues, existing water capital, capacity fee revenues, rate revenues and new debt.

Provided additional details regarding each individual table listed on the handout (2020 Water Rate Study Draft Tables). There was discussion regarding Well No. 8.

General Manager Davies – Provided details regarding the future of Well No. 8; working with Pantages (analysis of the location) the site is a suitable location, moving forward with a right of entry for drilling and approximate time frame is 2 years away.

- Sewer Rate Study Table - (3 options)
 - Annual Rate Revenue Increases:
 - Option 1 – Annual level rate increase; debt financing of \$4M.
 - Option 2 – No debt.
 - Option 3 – Lowest cumulative rate increases; debt financing of \$3M.
 - Cumulative Rate Revenue Increases
 - Option 1 – Annual level rate increases
 - Option 2 – Highest rate increases
 - Option 3 – Lowest cumulative rate increases

Provided additional details regarding each individual table listed on the handout (2020 Sewer Rate Study Draft Tables). There was discussion regarding Denitrification and Plant No. 1 costs (\$13.8m).

Alison - Lechowicz & Tseng Municipal Consultants – Provided the details regarding the handout Single Family Residential Water Bill Survey and Wastewater Bill Survey.

General Manager Davies – Stated the wastewater placement (economy of scale) is the reason for a higher sewer rate.

Public Comment Regarding:

- Project costs, borrowing funds, reserves, financing the pool (borrowing from the wastewater fund).

The discussion continued regarding the Water Rate Study Table options; financing, lowest annual cost to the user, stand-alone well, aging pipes, maintenance and repairs, and the decision for the selection of the 1” water meters.

There was additional discussion regarding a Special meeting to be scheduled.

General Manager Davies – Provided details regarding the Water Quality Control Board new salt requirements study.

There was discussion regarding dates for a Special meeting. The Special Financing Committee meeting is scheduled for Monday, February 24, 2020 at 10:00 a.m.

Public Comment Regarding:

- Prop 218 process.

2. Discussion Regarding the Audit.

Finance Manager Carter – Provided an update regarding the Audit (Annual State Filings have been filled on time). There was discussion regarding the Audit Presentation to the Board (March timeframe).

3. Discussion Regarding the Budget Calendar.

Finance Manager Carter – Provided the details regarding the Budget Review meeting dates.

F. FUTURE DISCUSSION/AGENDA ITEMS

1. Update on Rate Study by Alison Lechowicz from Lechowicz and Tseng Municipal Consultants on February 24, 2020 at 10:00 a.m. (Special Finance Committee Meeting).
2. Solar –To be put on future agenda.

G. ADJOURNMENT

1. The meeting adjourned at 4:20 p.m. to the next Standing Finance Committee meeting at the Community Center located at 1601 Discovery Bay Boulevard.

//cmc – 02-07-2020

<http://www.todb.ca.gov/agendas-minutes>